

**Company announcement
No. 28/2018**

**Interim report for first nine months 2018
Solid growth in operating earnings and strengthened strategic platform
Increased EBITDA expectations for full-year 2018**

Ørsted
Kraftværksvej 53
Skærbæk
DK-7000 Fredericia

www.orsted.com
Company registration no.
(CVR no.) 36 21 37 28

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Today, the Board of Directors of Ørsted approved the interim report for the first nine months (9M) of 2018. We achieved an operating profit (EBITDA) of DKK 10.8 billion, up 14% compared to 9M 2017. This was mainly due to a 32% increase in operating profits from wind farms in operation.

Our green share of generation increased from 59% to 71%.

We have increased our EBITDA (business performance) guidance, excluding new partnership agreements, by DKK 0.5 billion to DKK 13-14 billion. The increase is primarily due to good progress on our offshore construction projects, which is expected to result in higher earnings on our construction agreements and a faster ramp-up of generation from Borkum Riffgrund 2. In addition, we have had higher than expected earnings in our gas portfolio and LNG business. The Lincoln Clean Energy acquisition will only have a limited impact on EBITDA in 2018.

Our full-year EBITDA for 2018, including the profit from the Hornsea 1 partnership, is expected to be significantly higher than the 2017 EBITDA level of DKK 22.5 billion.

On 8 October, we increased our gross investment guidance from DKK 16-18 billion to DKK 23-25 billion following the agreement to acquire Deepwater Wind. The guidance includes the acquisition price of Deepwater Wind, early investment commitments for the US offshore and onshore wind portfolio in Q4 2018, as well as increased investments in the remaining construction portfolio due to timing across years.

Financial performance in Q3 2018:

- Our strong financial performance continued in Q3 2018 with operating profits (EBITDA) amounting to DKK 2.2 billion, a 27% increase on Q3 2017.
- Earnings from offshore wind farms in operation increased by 31% to DKK 2.0 billion, primarily due to ramp-up at Walney Extension and Race Bank, partly offset by slightly lower wind than in Q3 2017.

The Ørsted vision is a world that runs entirely on green energy. Ørsted develops, constructs and operates offshore wind farms, bioenergy plants and innovative waste-to-energy solutions and provides smart energy products to its customers. Headquartered in Denmark, Ørsted employs 5,900 people. Ørsted's shares are listed on Nasdaq Copenhagen (Ørsted). In 2017, the group's revenue was DKK 59.5 billion (EUR 8.0 billion). For more information on Ørsted, visit orsted.com or follow us on Facebook, LinkedIn, Instagram and Twitter.

- In Customer Solutions we saw higher than expected performance in Markets mainly due to increasing gas prices, and in LNG due to higher margins.
- Return on capital employed (ROCE) increased to 23% compared to 15% at 9M 2017.

CEO and president Henrik Poulsen says:

“During the third quarter we have secured a very strong and long-term growth platform in the American market.

On 1 October, we closed the acquisition of the US-based onshore wind company, Lincoln Clean Energy (LCE). Onshore wind will be run and reported as a separate business unit within the Ørsted Group. Construction of the 300MW-Tahoka wind farm is nearing completion. All wind turbines have been installed, and the project is currently being commissioned. By the end of the year, LCE will therefore have an operational capacity of 813MW. In addition, LCE has a portfolio of 700MW in advanced stages of development that can enter into construction during the coming year.

On 8 October 2018, we announced that we have entered into an agreement to acquire Deepwater Wind at a price of USD 510 million (enterprise value of USD 700 million). Deepwater Wind is the leading US-based offshore wind developer with an attractive and geographically diverse portfolio of projects along the US East Coast. The total potential capacity of approx 3.3GW consists of 30MW in operation, 810MW of offshore wind development projects with long-term revenue contracts in place or under negotiation and approx 2.5GW which potentially can be developed in three awarded lease areas.

In September we signed an agreement to farm-down of 50% of Hornsea 1 to Global Infrastructure Partners, and we expect to close the transaction within the coming weeks. The farm-down is one of the largest renewable energy M&A transactions of all time, and the valuation underpins the attractiveness of our offshore wind assets.

In June, we announced our plans to divest our Danish power distribution and residential customer businesses. We have seen good interest from the market and the preparations are progressing according to plan.

Looking at our financial performance, we delivered strong results and managed to increase earnings by 14% in the first nine months. Especially our offshore wind business contributed with earnings from offshore wind farms in operation increasing by 32%.

We've increased our EBITDA (business performance) guidance, excluding new partnership agreements, by DKK 0.5 billion to DKK 13-14 billion. The increase is primarily due to good progress on our offshore construction projects, faster ramp-up of generation from Borkum Riffgrund 2, and higher than expected earnings in our gas portfolio and LNG business.

We remain very pleased with the operational and financial performance of the company as we continue to expand our position as a global leading company in the green energy industry."

Financial key figures for Q3 and 9M 2018:

DKK million	Q3 2018	Q3 2017	%	9M 2018	9M 2017	%
EBITDA	2,225	1,757	27%	10,823	9,487	14%
Profit (loss) for the period from cont. operations	418	209	100%	4,326	3,929	10%
Profit (loss) for the period from discount. operations	(13)	2,931	n.a.	(24)	6,841	n.a.
Profit (loss) for the period	405	3,140	(87%)	4,302	10,770	(60%)
Cash flows from operating activities	(117)	(1,095)	(89%)	2,778	(2,055)	n.a.
Gross investments	(4,385)	(5,150)	(15%)	(9,565)	(11,939)	(20%)
Divestments	380	1,882	(80%)	1,201	2,107	(43%)
Free cash flow	(4,122)	(4,363)	(6%)	(5,586)	(11,887)	(53%)
Net interest-bearing debt	8,957	10,260	(13%)	8,957	10,260	(13%)
FFO/adjusted net debt (last 12 months)	42%	27%	16%p	42%	27%	16%p
ROCE (last 12 months)	23%	15%	8%p	23%	15%	8%p

For further information, please contact:

Media Relations

Martin Barlebo
+45 99 55 95 52

Investor Relations

Daniel Lerup
+45 99 55 59 35

Conference call

In connection with the presentation of the interim report, a conference call for investors and analysts will be held on Thursday, 1 November 2018, at 10:00 CET.

Denmark: +45 35 44 55 83

UK: +44 203 194 0544

US: +1 855 269 2604

The conference call can be followed live at:

<https://orsted.eventcdn.net/20181101>

Presentation slides will be available prior to the conference call at:

<https://orsted.com/en/Investors/Reporting/Financial-reports>

The interim report is available for download at:

<https://orsted.com/en/Investors/Reporting/Financial-reports>

Attachments to this company announcement:

Interim report for first nine months 2018 (pdf)

Company announcement (pdf)

Investor presentation (pdf)